

DATE 1-23-13
HB Montana University System

**Gary Rivenes** 

Executive Vice President and Chief Operating Officer

January 21, 2013

Joint Subcommittee on Education Chairman Roy Hollandsworth

Dear Chairman Hollandsworth:

Please accept my written comments in support of Montana Tech and the Montana University System since I am unable to attend the Committee hearing in person.

Cloud Peak Energy is one of the largest coal mining companies in the United States, with three large surface mines operating in the Powder River Basin. Cloud Peak Energy, a publicly traded company on the New York Stock Exchange, is headquartered in Gillette Wyoming and employs approximately 1,500 employees in good paying, safe jobs.

In Montana, Cloud Peak Energy owns and operates the state's largest coal mine, the Spring Creek Mine located near Decker Montana. The Spring Creek Mine employs approximately 250 full time employees with an average annual compensation package approaching \$105,000.

The Spring Creek Mine sells coal to a variety of electrical generating facilities including Detroit Edison in Detroit Michigan. Among Detroit Edison's largest customers is the "Big Three" auto manufacturers located in the Detroit region; a direct link between Montana coal and U.S. made automobiles.

Spring Creek Mine also sells into the Asian market, a growing and important new market for Montana coal. It is this new market that creates the greatest opportunity for growth for our Spring Creek Mine – and ultimately, for the Montana coal industry.

Growth in the Montana coal industry is good for the State of Montana. In 2011, Cloud Peak Energy alone contributed more than \$56 million in taxes and royalties to the state and spent another \$11 million in goods and services in Montana. Growth in Spring Creek Mine production ultimately means more taxes, more state expenditures and more employees.

One of the greatest challenges for a growing company such as Cloud Peak Energy is finding educated and quality employees. The Montana University System has been an excellent source in delivering some of our finest employees. Cloud Peak Energy currently employs more than 30 Montana University system graduates in a variety of management positions throughout the company.

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Going forward, Cloud Peak Energy will continue to look to the Montana University System to provide a high quality workforce for our operations to meet our growth demands. We have come to trust the output of the Montana University System and consider them an important partner in our future success.

I speak to the value of the Montana University System and its importance to us as a company and also from a personal vantage point. I am a Butte Montana native and graduate of Montana Tech. It is the education and the experience I received from Montana Tech that has helped me succeed in my chosen profession. Today, at 42 years of age, I am the Executive Vice President and Chief Operating Officer at Cloud Peak Energy and continue to value the first rate education I received at Montana Tech.

Cloud Peak Energy looks forward to continuing a strong partnership with the Montana University System and supports efforts to keep those institutions strong and reliable for providing a quality, well-educated workforce.

Sincerely,

Gary Rivenes